

TRANSPORTATION INFRASTRUCTURE FINANCING ALTERNATIVES MEETING

JUNE 24, 2002

Attendees

Sen. Mary Margaret Haugen
Sen. Jim Horn
Sen. Tim Sheldon
Sen. Dan Swecker

Rep. Mike Cooper
Rep. Jeanne Edwards
Rep. Doug Ericksen
Rep. Brian Hatfield
Rep. Fred Jarrett
Rep. Beverly Woods

I. Introduction

Rhonda Brooks, Program Manager, TEP, WSDOT opened the meeting by giving an overview of the purpose and a summary of recommendations made at the preliminary organizational meeting in late April.

Jerry Ellis, Director, TEP, WSDOT introduced the guest speaker, Geoff Yarema.

II. Overview of Public-Private Partnerships and Tools for Innovative Financing

Mr. Geoff Yarema from Nossaman, Guthner, Knox, and Elliott gave a presentation on the range of tools available for projects with examples of each of the following:

- Traditional Public Works Development, Funding and Operation
- Traditional Public Works Procurement, Modified to Employ Design-Build Contracts for One or More Key Project Elements or Segments
- Design-Build Contracting of Entire Project with Public Funding and Operation
- Design-Build Contracting for an Entire Project with Public Operation and Primarily Public Funding but with the Contractor Providing Limited Cash-Flow Financing
- Design-Build-Operate-Maintain Contracting for an Entire Project with Public Financing
- Design-Build-Operate-Maintain Contracting with Primarily Public Funding, but with Contractor Providing Limited Cash Flow Financing
- Design-Build-Operate-Maintain Contracting with Private Sector Financing
- Private Concession to Design, Build and Operate the Project with Design-Build-Operator Receiving an Interest in the Operating Profits
- Private Concession to Design-Build-Operate Project with no Public Agency Subsidy or other Government Financial Commitment

III. Discussion Highlights

- We need a common understanding of what happened before in Washington State so we know the pluses and minuses
- When looking at other states, we need to be aware of the political reality that exists with the Legislature and the Transportation Commission

- How do we gain and keep public support for tolls and/or a gas tax?
- Are tolls or gas taxes most effective and predictable?
- We need to market these ideas more effectively with the regions. Are innovative financing packages available with regional approaches?
- One of the variable risks inherent in different approaches is the revenue streams associated with each project
- The source of funds does not by itself affect the overall cost of a project
- The bottom line is the approach that saves time, money, and hastens the construction process
- Re-authorization of TEA-21 is coming next year and needs to be watched closely
- The House also has a committee looking at toll authorities.

IV. Information Requested

- What were the costs associated with changing the original financing package for the Tacoma Narrows Bridge to the current funding package? What if the project had been funded with traditional funding and programming processes—how much would it cost?
- What are the toll rates across the country?
- What legislative authority do these other states have?

V. Administrative Issues

- Sen. Mary Margaret Haugen and Rep. Fred Jarrett were elected as Co-Chairs
- A motion to approve the name *Transportation Infrastructure Financing Alternatives* was passed
- The Draft Work Plan was provisionally adopted subject to future amendments
- The September meeting will be rescheduled tentatively to September 26th
- Add a briefing for Legislators during the Session to the calendar
- Two or three cluster travel itineraries will be prepared, including one in conjunction with the National Conference of State Legislatures in Colorado from July 22-26.
- The draft for the web page was adopted

VI. Next Meeting

July 30, 2002
 10AM-2PM including Lunch
 Wyndham Hotel Sea-Tac
 18118 Pacific Highway South
 206-244-6666